

SECRET

PIC/D-39-58
25 November 1958

MEMORANDUM FOR: Special Assistant to the DCI for
Planning and Development

SUBJECT: New Color Photographic Process

REFERENCE: Memorandum for SA/PD/DCI from D/PIC, dated
29 October 1958 (PIC/D-19-58) (DPS-4154)

1. [] of TSS has called []
[] to Washington to sign a contractual agreement for consulting
services. This is an extension of [] previous experience
with the Agency. [] arrived here Monday and has been asked
to remain until a decision can be made concerning the preliminary
proposal for [] on the new color photographic process.

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2. During the visit of [] last week to
the West Coast, conferences were held with []
to urge that as soon as possible some type of proposal from []
[] was desirable. This has been accomplished, and a copy of
the preliminary proposal is enclosed herewith.

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[] says that with our guidance he has tried to come
up with the most reasonable amount of money that [] feels
is needed to build a prototype developing head and coat enough
Milar film base to demonstrate the validity of his new color photo-
graphic process. Because of the sketchy nature of the proposal,
we feel that it will be necessary to prepare a counter proposal in
order to justify the [] requested. We would prepare this
proposal for [] Briefly, the
proposal would involve (a) a research and development contract which
would result in a report and demonstration of the process, (b) agree-
ment that any equipment or materials purchased with funds advanced
to the contractor would be Government property which the contractor
might purchase at cost from the Government upon termination of the
contract, (c) protection of the contractor's proprietary rights with
the stipulation that the Government should not be obligated to pay
the contractor any royalties for the purchase or use of materials
or processes involved in this contract, and (d) agreement that options
be granted by the contractor to the Government for the further develop-
ment of production facilities.

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3. It is felt that this type of contract will adequately protect the Government from fraud. Having reviewed the contractor's background, [redacted] If a go-ahead could be forthcoming at your earliest convenience, a conference to iron out the contract with your people will be promptly arranged. If, however, you feel that we should not pursue this project any further, please let us know so we can get [redacted] back to the Coast.

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ARTHUR C. LUNDARL
Director,
Photographic Intelligence Center

Enclosure:
Preliminary Proposal

PIC:ACL [redacted] (25 Nov 58)

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